

### **REMARKS/ARGUMENTS**

Prior to entry of this amendment, claims 1-10, 12-18, and 20-22 were pending in this application. No claims have been amended, no claims have been added, and no claims have been canceled herein. Therefore, claims 1-10, 12-18, and 20-22 remain pending. Applicants respectfully request reconsideration of these claims for at least the reasons presented below.

#### **35 U.S.C. § 103 Rejection, Rosen in view of Kolling and AAPA**

The Office Action has rejected claims 1-10, 12-18, and 20-22 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,557,518 to Rosen (hereinafter “Rosen”) in view of U.S. Patent No. 5,920,847 to Kolling et al. (hereinafter “Kolling”) and Applicant Admitted Prior Art (hereinafter “AAPA”). The Applicants respectfully submit that the Office Action does not establish a *prima facie* case of obviousness in rejecting these claims, as amended. Therefore, the Applicants request reconsideration and withdrawal of the rejection.

In order to establish a *prima facie* case of obviousness, all claimed limitations must first be taught or suggested by the prior art. *See, e.g., DyStar Textilfarben GmbH & Co. Deutschland KG v. C.H. Patrick Co.*, 464 F.3d 1356, 1360 (Fed. Cir. 2006). The Office Action must then provide an explicit analysis supporting the rejection. *See KSR Int’l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 1741 (2007) (“a patent composed of several elements is not proved obvious merely by demonstrating that each of its elements was, independently, known in the prior art”). While the Office Action can use one of several exemplary rationales from the MPEP to support an obviousness rejection under *KSR*, all the rationales still require the Office Action to demonstrate that all the claim elements are shown in the prior art. *See* MPEP §2143. As will be discussed below, the references cited by the Office Action do not teach or suggest each claimed limitation. For example, none of the references, alone or in combination, teach or suggest each claimed limitation.

Rosen is directed to “a system for facilitating open electronic commerce” that “utilizes tamper-proof electronic units, referred to as ‘trusted agents’ in combination with money modules to create a secure transaction environment for both the buyer and seller of electronic merchandise and services.” (Col. 1, lines 6-11) However, as argued previously, Rosen does not teach or suggest initiating a transfer from the third account, i.e., the account of the funds transfer service, to a second account, i.e., the account associated with the second party, before a first transfer (from an account associated with the first entity to the third account) is cleared. That is, Rosen does not teach or suggest this “reverse float” as it is referred to in the description of the present application (see paragraph 39) on the third account, i.e., provided by the funds transfer service.

In an effort to demonstrate such a teaching, the Office Action turns to Kolling. Kolling is directed to “a bill pay system [that] allows a consumer or business to direct their bank, an agent of their bank, or a non-bank bill pay service bureau, to pay amounts owed to merchants, service providers and other billers who bill consumers or businesses for amounts owed, and allows a consumer or business to receive electronic invoices.” (Col. 1, lines 15-20) However, the Applicants respectfully maintain that Kolling does not teach or suggest, alone or in combination with Rosen, the reverse float provided by a funds transfer system by initiating a transfer from the third account, i.e., the account of the funds transfer service, to a second account, i.e., the account associated with the second party, before a first transfer (from an account associated with the first entity to the third account) is cleared. With regard to this recitation, the Office Action cites col. 2, lines 26-29 of Kolling which states in total: “In other cases, the payment is an electronic transfer where the consumer’s account information is included with the transfer or provided in a list of payments from multiple consumers provided by the service bureau to the biller.” The Applicants contend that nothing in this portion of Kolling teaches or suggest, alone or in combination with Rosen, initiating a transfer from the account of the funds transfer service to the account associated with the second party before a first transfer (from an account associated with the first entity to the third account) is cleared. However, the

Applicants do note that Kolling states “Bank C does not submit the transaction until funds are good or Bank C is willing to take the risk of loss if funds are not good.” (Col. 12, lines 10-12) To any extent that such action by Bank C can be considered a reverse float as recited in the pending claims, the Applicants respectfully note that Bank C is the customers/payers bank and thus not an account of a funds transfer service (third account). Rather, this account would at best equate to the recited first account.

The Office Action also cites and relies on previously taken Official Notice of:

“a) the sending and receiving of credits and debits electronically between accounts; b) that the first part[y] on whose behalf the bill payer/third party is transferring funds to the second part rarely if ever receives confirmation information before the bill pay service transmits the funds to the biller and the funds clear, which clear the same day or within a few days in the case of checks. The first party (payer) usually receives such confirmations in a monthly statement from his bank and from his bill payment service.” (Final Office Action page 5)

However, the Applicants respectfully contend that, even if taken, such Official Notice does not address the recitations of the pending claims. That is, the claims do not recite making a transfer from the payee before a statement or receipt of the transaction is sent to the payor as the statement of Official Notice describes. Rather, the claims recite initiating a transfer from the third account, i.e., the account of the funds transfer service, to a second account, i.e., the account associated with the second party, before a first transfer (from an account associated with the first entity to the third account) is cleared. In other words, the intermediary here, between the payee and payor, is assuming a risk by initiating a second part of a payment (i.e., the second transfer) before a first part of that payment (i.e., the first transfer) is cleared. The statement of Official Notice here is directed to something completely different and, even if taken, does not address the contested claim recitations. Specifically, the Official Notice here describes the payor receiving a statement that indicates a payment sometime after the payment has been made. In contrast, the claims are directed to and recite a two part payment where the second part of the payment is made even before the first part is cleared. Therefore, the Applicants maintain that

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none of the references, including the stated Official Notice, teach or suggest, alone or in combination, all of the recitations of the pending claims.

### **CONCLUSION**

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance and an action to that end is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,

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